

11 March 2005

Questions and Answers - Army Residential Communities Initiative RCI - Sources Sought Notice for Privatization of Army Family Housing at Fort Myer Military Community FMMC, which includes Fort Myer in Arlington, VA and Fort McNair in Washington DC.

The following questions have been presented in writing to the Contract Specialist.

Question 1: I have a question regarding the amount of projected operating expenses for 2006 of \$24,524 per unit. I assume that figure includes the amounts of \$8,268 per unit for utilities and \$3,663 per unit for maintenance and repair which together total \$11,931 per unit. This leaves \$24,524 - \$11,931 = \$12,593 per unit for the remaining operating expenses which itself is a very high number. Can you provide additional information on what is included in this figure? Is it possibly money programmed for capital repairs that would be considered operating money in the government sector but capital money in the private sector?

Answer 1: TOE includes: utilities, solid waste management and recycling, maintenance and repair, insurance, capital expenses, salaries and personnel, administration, community life and police & fire reimbursement. These are costs estimated for 2006, before renovation of the homes.

Question 2: Renovation Costs - Can they rely on these numbers? \$24,431,000. Are those costs for just hard construction costs (materials and labor) or do they include soft costs such as A/E design costs?

Answer 2: These cost estimates are based on comprehensive Facility Condition Assessments completed by an engineering firm in September 2003. These costs were revised and updated by a validation assessment in June 2004. These estimates should be considered all-in costs that include hard costs, landscaping, amenities, contingencies, management fees and other soft costs.

Question 3: What is the "adjusted basis" of the 89 historic houses the Government would contribute to this privatization effort?

Answer 3: The adjusted basis for the homes at Fort Myer and Fort McNair is \$5,337,008.

Question 4: Will there be another site visit?

Answer 4: No.